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Seven things CFOs need to know about AI

The better the question. The better the answer.
The better the world works.

1 AI is a strategic capability – not just a tech investment

Global artificial intelligence (AI) spending is projected to reach **$307b in 2025**,[2] growing to **$632b by 2028 (29% CAGR)**.[2] EY Tech Pulse data shows **43% of executives now allocate over half their AI budgets to agentic AI.**[1] With so much investment at stake, CFOs should see AI as a key capability for value creation, productivity and transformation, not just a technology project.

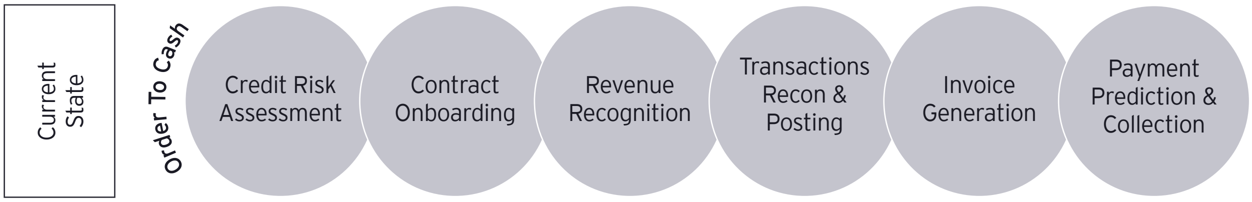
2 End-to-end process transformation will drive greater productivity

AI copilots reduce manual work by **20% to 30%**,[1] while autopilot systems automate workflows like order-to-cash with **up to 90% efficiency.**[1] Yet **less than a third of companies follow AI adoption best practices.**[3] To maximize the benefits, instead of allowing stakeholders to work in silos, CFOs must encourage an AI-first approach to reimagining processes end to end. A focus on building data platforms is key, as is robust governance at all stages of the redesign process – from evaluating and prioritizing ideas, to setting up or leveraging the right data and architecture, to executing the project and monitoring progress. Throughout, it's important to manage risk by maintaining proper controls and protecting confidential information.

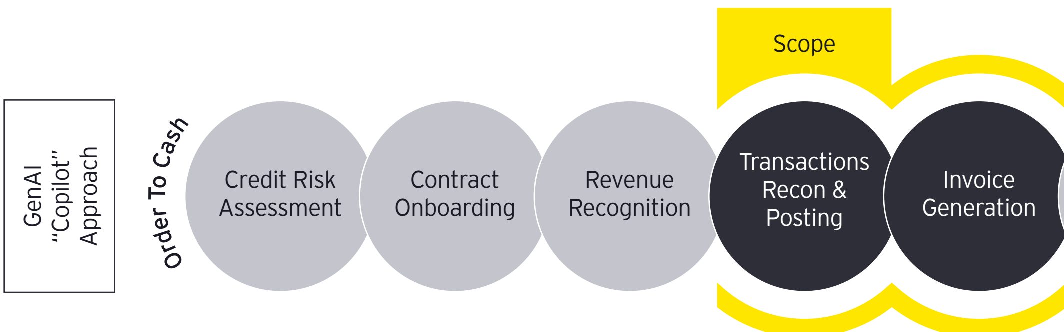
Agentic AI: Next and beyond for high-performing finance functions

AI Agents automate end-to-end value chains, unlocking as much as 90% process efficiency gains

A look at an illustrative finance example using the order-to-cash process:

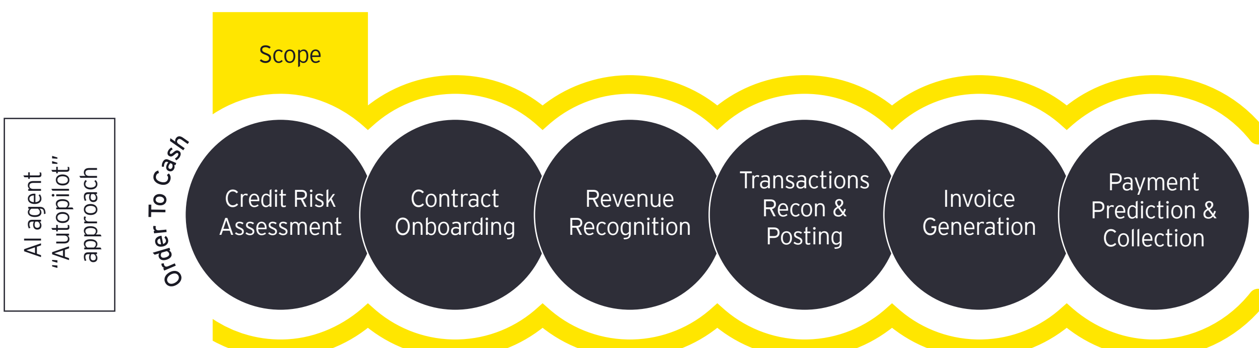


- Manual completion of tasks
- Prone to process Inefficiencies
- Lengthy end-to-end process times
- Labor required to complete can be expensive



- Parts of an end-to-end value chain are automated
- Copilots accelerate productivity and drive efficiency and consistency
- Humans remain in the loop, but fewer required
- Overall process cost and time decreased

20%–30%
efficiency gain



- End-to-end value chain automation
- Autonomous decision-making and execution unlock productivity
- Output quality and consistency greatly improved
- Human oversight only required for edge cases and reviews
- Process cost largely eliminated
- Transaction time reduced to near zero

90%
efficiency gain

Source: EY Insight Publication

3 Regulatory complexity is rising

Regulators are increasingly adding more oversight and penalties. For example, the **EU AI Act** and **US laws** (CPRA, VCDPA and new 2025 rules) create compliance burdens across jurisdictions. **India's Digital Personal Data Protection Act** (DPDPA) and China's labelling mandates add further complexity. To meet compliance requirements and manage increasing risks, CFOs must take the lead on AI governance, data privacy and risk management. It's also important to use advanced risk management processes and tools that enable end-to-end governance for AI systems, including policy management and risk tiering. AI-enabled tools to manage financial regulations, data privacy laws and sector-specific compliance requirements are also useful.

4 AI is transforming M&A — with measurable impact

Generative AI (GenAI) use in M&A is projected to grow from **16% in 2024 to 80% by 2028**,[4] with early adopters reporting **up to 50% faster deal cycles**.[5] CFOs should integrate AI into screening, diligence and post-merger integration to accelerate execution and unlock synergies.

5 AI enhances reporting and analytics, including ESG reporting, but a clear data strategy is critical

AI is redefining how organizations collect and report information to stakeholders, including sustainability reporting. AI tools are also automating internal and external reporting, freeing up resources to apply insights rather than prepare reports. Fifty-seven percent of investors[1] say AI enhances ESG credibility; however, harnessing AI will require a clear data strategy and a platform that supports multiple functions across the enterprise.

6 ROI must be redefined beyond financial metrics

Only **45% of executives can quantify AI ROI**,[3] and many fail to achieve **ROI targets**.[3] Though this should not discourage AI investment, CFOs can better measure its impact using a holistic ROI framework that includes:

- **Hard factors:** cost savings, productivity, revenue growth
- **Soft factors**: retention, agility, brand value
- **Strategic impact**: innovation, transformation, stakeholder trust

Real-world examples like the Financial Services Multi-Agent Collaboration and Conversational Bots demonstrate strong ROI from AI adoption, underscoring its potential to drive efficiency and growth.[6]

7 Talent gaps are slowing transformation

Talent strategy is now central to AI success. However, **53% of CFOs cite retention as a top challenge**,[1] and **71% say the workforce is underprepared for AI demands**.[7] CFOs must invest in AI-focused training, leverage HR analytics and collaborate with HR to build digitally capable finance teams.

Summary: AI is reshaping enterprises and the finance organizations within them. With global GenAI spending growing rapidly, leading companies are accelerating AI investments. Many AI use cases such as the Financial Services Multi-Agent Collaboration and Conversational Bots demonstrate strong ROI. To unlock this value, CFOs must take a proactive role, embedding AI into transformation efforts, leading governance across functions and addressing talent gaps through targeted training. Success will depend on CFOs' ability to enable an enterprise-wide AI strategy, underpinned by a common data platform and effective risk management, that aligns AI investments with business goals.

Examples of AI-driven use cases for the Finance Function[1]

#	Services	Description
1	Smart Report	Automates financial narratives for reporting and disclosures
2	AI-Powered Reconciliation	Resolves data discrepancies across systems
3	Finance Chatbot (Quest)	Retrieves finance knowledge across structured/unstructured data
4	Data Modelling	Auto-generates reports with charts and narratives
5	Variance Analysis	Detects trends and anomalies in financial data
6	Invoice Processing	Automates invoice data extraction and ERP integration
7	ALFA – Forecasting Model	AI/ML-based FP&A model selection and scenario analysis
8	ESG Data Misalignments	Detects inconsistencies in ESG reporting

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Sources: CFO Matters - 7 things CFOs need to know about AI30Oct20205.pptx
Source: 1. EY Insights 2. IDC.com 3. BCG.com 4. Bain.com 5. Axios.com 6. Microsoft 7. Kyndryl

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